

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF C.V. MCCANN) APPEAL NO. 06-A-2469
from the decision of the Board of Equalization of Valley) FINAL DECISION
County for tax year 2006.) AND ORDER

VACANT LAND APPEAL

THIS MATTER came on for hearing November 8, 2006, in Cascade, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Carl Vaughn McCann appeared for himself. Assessor Karen Campbell and Chief Deputy Assessor Deedee (Kimberley) Gossi appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP00492013052BA.

The issue on appeal is the market value of a vacant land.

The decision of the Valley County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$595,000. Appellant requests the land value be reduced to \$575,000.

The subject property is 1.027 acres of vacant land.

Appellant purchased subject for \$575,000 in April, 2006. Appellant stated that subject was on the market for \$575,000, he made an offer of \$575,000 and that the seller accepted the offer.

On the Warranty Deed it was written "Pursuant to an IRC 1031 Tax Deferred Exchange on behalf of Grantor/Grantee." Both parties discussed the purchase being a 1031 Tax Deferred Exchange. Appellant stated it was not a 1031 Tax Deferred Exchange, that it was a cash

purchase and was unaware as to why the 1031 Tax Deferred Exchange was listed on the deed, and challenges it was an error. Respondent stated that because the deed shows a 1031 exchange, that meant the sale was not “arms length” and therefor was not viewed as a valid sale, however it was also stated that the 2006 sale of subject was not used in the analysis because upon the of gathering sales information the assessor’s office is always a year behind. Respondent submitted a land sales analysis to demonstrate what land sold for in subject’s subdivision. The sales took place from 1/1/04 to 4/1/05 and sold for prices between \$296,450 and \$725,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The issue in this appeal is the market value of the subject property.

Subject was purchased in April 2006 for \$575,000 cash. The asking price was \$575,000. Appellant contends the recent sale price established the market value for subject.

The subject was assessed for \$700,000 as of the January 1 lien date for the 2006 tax year, the BOE lowered the assessed value by 15%. The \$575,000 sale price was not used by Assessor at the time of the assessment as the information had not been gathered and the sale would not have been arms length because of the deed stating it was a 1031 exchange.

The record did contain verification of the date and sale price of subject property. The assessed value exceeds the listing price.

A proper determination of the market value of taxable property should involve an

analysis of multiple factors including the actual cost of the property and its actual sale value. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

The court has consistently held that the only criterion for determining value of property for ad valorem tax purposes is the full cash or market value. Merris v. Ada County, 100 Idaho 59 at 63, 593 P.2d 394 (1979).

In this case, the Board finds the cash sale of the subject property is the best proof of market value. The collective group of comparable sales offered by the County was not the best evidence of market value. The Board is convinced the subject property is assessed excessively and reverses the decision of the Valley County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed reducing the total assessed value to \$575,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 8th day of March, 2007.